

Message Text

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PAGE 01 STATE 282222

43

ORIGIN OPIC-06

INFO OCT-01 AF-10 ISO-00 EB-07 COME-00 TRSE-00 AID-05 L-02

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DRAFTED BY: OPIC:CHMIDDLETON

APPROVED BY: EB/IFD/OIA:CNELLIS

AF/W:RMCGUIRE

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FM SECSTATE WASHDC

TO AMEMBASSY ACCRA IMMEDIATE

UNCLAS STATE 282222

E.O. 11652: N/A

TAGS: EINV, GH

SUBJECT: U.S. PRIVATE INVESTMENT IN VOLTA ALUMINUM COMPANY
LIMITED (VALCO)

1. KAISER ALUMINUM AND CHEMICAL CORP. (KAISER) AND REYNOLDS METALS COMPANY (REYNOLDS) HAVE REQUESTED OPIC INSURANCE IN REGISTRATION NO. 641-74-366 (GHANA). OPIC PLANS, SUBJECT TO EMBASSY RECOMMENDATION, TO INSURE AGAINST INCONVERTIBILITY, EXPROPRIATION, AND WAR RISKS \$9,000,000 OF A \$16,000,000 INVESTMENT OF REINVESTED RETAINED EARNINGS IN VALCO.

2. CROCKER NATIONAL BANK (CROCKER) HAS REQUESTED OPIC INSURANCE IN REGISTRATION NO. 641-75-165 (GHANA) OF A \$20,000,000 LOAN TO VALCO BY CROCKER AND TWO OTHER U.S. BANKS WITH INTEREST OF 1-1/2 PERCENT OVER LONDON INTER-BANK OFFERED RATE OVER EIGHT-YEAR TERM, INCLUDING GRACE PERIOD ON PRINCIPAL TO JANUARY 1, 1978. OPIC INVESTMENT COMMITTEE TO MEET 13:30 HOURS, WASHINGTON TIME, MONDAY, DECEMBER 30 TO CONSIDER WHETHER TO INSURE AGAINST EXPROPRIATION RISK 90 PERCENT OF \$20,000,000 LOAN.

3. OPIC REQUESTS EMBASSY'S RECOMMENDATIONS AS TO WHETHER OPIC SHOULD INSURE BOTH KAISER AND CROCKER INVESTMENTS BY NOON,
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PAGE 02 STATE 282222

WASHINGTON TIME, MONDAY, DECEMBER 30. URGENCY OF RECEIPT OF

EMBASSY RECOMMENDATIONS IS POSSIBILITY OF APPROXIMATE 60-DAY
DELAY IN ISSUING ALL OPIC CONTRACTS AFTER JANUARY 1 DUE TO FORMATION
OF PRIVATE INSURANCE GROUP TO PARTICIPATE IN UNDERWRITING WITH
OPIC.

4. INSURANCE CONTRACTS WITH KAISER/REYNOLDS AND CROCKER TO PROVIDE
FOR NO OPIC LIABILITY UNLESS AND UNTIL GOG GIVES FOREIGN GOVERN-
MENT APPROVAL OF OPIC INSURANCE FOR EACH INVESTMENT.
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Message Attributes

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Disposition Event:
Disposition History: n/a
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30 JUN 2005

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